



**PUBLIC DISCLOSURE**

July 22, 2024

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Axiom Bank, National Association  
Charter Number 25139  
258 Southhall Lane, Suite 400  
Maitland, FL 32751

Office of the Comptroller of the Currency

4042 Park Oaks Blvd, Suite 240  
Tampa, FL 33610

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The lending test is rated: Satisfactory.**

**The community development test is rated: Satisfactory.**

The major factors that support this rating include:

- The loan-to-deposit ratio is reasonable.
- A majority of loans originated over the evaluation period was within its assessment areas (AAs).
- The bank exhibits reasonable distribution of small loans to businesses across geographies and businesses of different sizes.
- The bank exhibits adequate responsiveness, to community development needs through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

### Loan-to-Deposit Ratio (LTD)

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is reasonable.

The bank's quarterly average net LTD ratio since the preceding CRA evaluation (12 quarters starting January 2021 and ending December 2023) was 80.4 percent, ranging from a high of 95.3 percent in the 3<sup>rd</sup> quarter 2021 to a low of 67.2 percent in the 2<sup>nd</sup> quarter of 2023. The quarterly average LTD ratio for 14 similarly situated banks was 67.6 percent ranging from a high of 100.31 percent to a low of 30.35 percent. Peer banks used in the analysis offer similar loan products and operate in the assessment areas.

### Lending in Assessment Area

A majority of the bank's loans are inside its AAs.

The bank originated and purchased 66.1 percent of its total business loans inside its assessment areas (AAs) during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000's)	%	\$	%	
Small Business	121	66.1	62	33.9	183	27,143	59.5	18,442	40.5	45,585
<b>Total</b>	<b>121</b>	<b>66.1</b>	<b>62</b>	<b>33.9</b>	<b>183</b>	<b>27,143</b>	<b>59.5</b>	<b>18,442</b>	<b>40.5</b>	<b>45,585</b>

2021-2023 Bank Data, due to rounding, totals may not equal 100%.

## Description of Institution

Axiom Bank, National Association (Axiom or bank) is a \$836.7 million single-state community bank headquartered in Maitland, Florida in Orange County. Axiom is wholly owned by Axiom Bancshares, Inc., a one-bank holding company also located in Maitland, Florida. The bank was chartered in 1963 as Washington Shores Federal Savings Bank with a name change in 1990 to Metro Savings Bank. In 2006, subsequent to ownership changes, the name of the bank was changed to Urban Trust Bank. In November 2014, the name was changed to Axiom Bank. On August 4, 2017, as part of the charter conversion from a thrift to a national charter, the name was changed to Axiom Bank, National Association. The bank's presence is primarily in central Florida, with branches along the I-4 corridor.

During 2021, the bank's business strategy began transitioning to focus more on commercial banking and strengthening operational efficiencies through downsizing the branch network, to adapt to changes in consumer habits and the acceleration of digital channels. The bank implemented a strategic shift to focus on small and mid-size businesses, their owners, and employees while optimizing its branch model to replace its Walmart Supercenter branches. Axiom closed a total of ten branches located in Walmart during the evaluation period, six in 2021 and four in 2022. Of these ten branches, one was located in a low income tract and four were located in moderate income tracts. The ten branches closed were located in the Orlando MSA (4), Hillsborough County (2), Duval County (2), Marion County (1), and Lakeland MSA (1). At the end of the evaluation period, Axiom operated a total of seven locations located in the following MSAs: Orlando (4), North Port (1), Deltona (1), and Lakeland (1). The main office is located in a middle-income geography. One branch is in a moderate-income geography and one branch in a low-income geography. The branch located in a low-income geography includes a large workspace for the community to work or study in with free Wi-Fi. All branch locations include reasonable hours of operations and are open Monday-Saturday. Alternative banking services offered include deposit taking ATMs located at the branches and the corporate office, debit cards, bill pay, mobile deposit services, telephone banking and online banking. ATM transactions are free of charge for any transactions conducted at bank locations and over 60,000 network ATMs. These delivery systems provide additional availability and access to banking services for LMI persons and small businesses.

The bank offers a number of traditional consumer and business banking products and services. Deposit services include a variety of personal and business checking and savings accounts, certificates of deposits and individual retirement accounts. The bank offers deposit products benefitting low- and moderate-income (LMI) individuals and include a senior checking account with no monthly maintenance fees and a \$25 minimum opening deposit. Two specific checking accounts (one consumer and one business) were designed to help those individuals that are unbanked or underbanked. Other consumer services offered include sales of money orders and cashier's checks, check cashing, pre-paid card sales and small dollar loans. Deposit products benefitting small businesses located in the assessment areas include a checking account with the first 250 items per month at no charge. Other services offered to commercial customers include treasury management and remote deposit capture.

As of December 31, 2023, Axiom Bank reported total assets of \$836.7 million and tier 1 capital of \$87.8 million. The loan portfolio consisted of real estate loans at 39.0 percent, commercial & industrial loans at 32.8 percent, and consumer loans at 11.7 percent of the bank's net loans. Total deposits amounted to \$715.7 million for the same time period.

There are no legal, financial or other factors that impede the bank's ability to meet the credit needs of the AA during the evaluation period. The last CRA evaluation was dated August 9, 2021 and the bank received a "Satisfactory" rating.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated the bank's CRA performance within its AA using Intermediate Small Bank performance criteria and examination procedures. Our evaluation period for the lending test and community development test covered the period from January 1, 2021 through December 31, 2023 focusing on small business lending, which is the bank's primary business focus. Due to changes in census data effective in 2022, we evaluated the bank's 2021 lending performance separately from the bank's 2022 and 2023 lending performance and considered the bank's performance context information. We placed the most weight on the lending performance for 2022-2023 as it represents the largest portion of the evaluation period. We also evaluated community development (CD) loans, qualified investments, and CD services.

Axiom has five AAs within the state of Florida. These AAs include the following MSAs: Orlando-Kissimmee-Sanford, Deltona, Lakeland-Winter Haven, North Port, and Tampa. In addition, the branches located in the Tampa AA closed in the 1Q22. The Orlando-Kissimmee-Sanford MSA was selected for a full scope review based on its significance in terms of branches and the percentage of AA deposits to total deposit during the evaluation period. Deposits in this AA represented 77.3 percent of the bank's total deposits. The Deltona MSA, Lakeland MSA, North Port MSA were selected for limited scope reviews with deposits representing 13.1, 5.1 and 4.5 percent of the bank's total deposits respectively. Refer to Appendix A for additional information.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA) are evaluated as a single AA. These AAs may be evaluated as full- or limited-scope.

Refer to the "Scope" section under the State Rating for details regarding how the full-scope AA was selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank's state rating is based on performance in all bank AAs. Axiom operates 7 branches in the State of Florida. Refer to the "Scope" section under the State of Florida for details regarding how the AAs were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Florida

**CRA rating for the State of Florida:** Satisfactory.

**The Lending Test is rated:** Satisfactory.

**The Community Development Test is rated:** Satisfactory.

The major factors that support this rating include:

- The bank exhibits reasonable distribution of small loans to businesses across geographies of different income levels and businesses of different sizes.
- The bank exhibits adequate responsiveness, to community development needs through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

## Description of Institution's Operations in Florida

### Orlando-Kissimmee-Sanford MSA

The Orlando-Kissimmee-Sanford MSA AA includes all of Lake, Orange, Osceola, and Seminole counties. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. There were census data changes between the 2015 ACS U.S. Census and the 2020 U.S. Census that became effective in 2022. The tables above reflect these changes and depict the demographic information in the MSA during the evaluation period. In 2023, the number of LMI census tracts increased by 0.5 and decreased by 0.9 percent respectively when compared to 2021. According to 2020 U.S. Census data, the AA consists of 490 CTs, of which 20 are low-income, 141 are moderate-income, 172 are middle-income, 151 are upper-income, and 6 have not been assigned an income classification. The percentage of households living below the poverty level is 9.5 percent.

According to the U.S. Bureau of Labor Statistics (BLS), the Orlando-Kissimmee-Sanford MSA unemployment rate declined throughout the evaluation period. In January 2021, the rate was 6.1 percent compared to 3.1 percent in December 2023. The national unemployment rate was 6.4 percent in January 2021 and 3.7 percent in December 2023.

According to the February 2024 Moody's Analytics report, the AA strengths are natural and institutional tourism advantages, strong demographics due to in-migration, ample job opportunities in services, and plentiful land for development. The leading industries by wage tier include professional and business services, education and health services, and leisure and hospitality services. Major employers include Walt Disney World, Advent Health, Universal Studios Florida, and Orlando Health.

One method of assessing housing affordability in the AA is to compare the average adjusted median family income to median housing value. The AA is a high-cost area, limiting access to affordable home ownership among LMI borrowers. The 2023 FFIEC adjusted median family income (AMFI) in the AA

is \$85,700. According to Realtor.com data, the median housing value in the AA is \$315,990 and \$438,990 in January 2021 and December 2023, respectively, reflecting a 38.9 percent increase.

Assuming a 30-year mortgage with a five percent interest rate and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$42,850 per year (or less than 50 percent of the 2023 FFIEC AMFI in the AA) could afford a \$199,554 mortgage with a payment of \$1,071 per month. A moderate-income borrower making \$68,560 per year (or less than 80 percent of the 2023 FFIEC AMFI in the AA) could afford a \$319,287 mortgage with a payment of \$1,714 per month. This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA.

According to Dunn and Bradstreet, as of June 2023, there were 670,550 non-farm businesses in the Orlando MSA of which approximately 98.03 percent are considered small businesses. In the MSA 2.4 percent, 26.1 percent, 33.3 percent, and 37.2 percent of non-farm small businesses are located in low-income, moderate-income, middle-income, and upper-income census tracts, respectively.

Axiom bank operates in a highly competitive market given the wide variety of options available for financial services within the assessment area. As such, strong competition for financial services exists within the bank's AA. Competitors include other local community banks and larger nationwide and regional financial institutions. According to the Federal Deposit Insurance Corporations (FDIC), there were 72 active institutions as of June 30, 2023, in the assessment area. Large and midsize banks such as Truist Bank, Bank of America, Wells Fargo, JPMorgan Chase, and Southstate Bank represent 66.5 percent of the market share. Axiom represented 0.55 percent of market share, ranking 22nd out of the 72 total institutions. All of the bank's deposits are located within its AA.

During the evaluation period, the OCC conducted interviews with four community contacts working in the AA to assess community needs. The contacts identified the following needs within the AA:

- Improved infrastructure in areas with LMI housing
- Redevelopment of older housing and affordable housing
- Increased access to bank branches
- Financing for small businesses
- Speculative space financing
- Small business financial counseling

### **Scope of Evaluation in Florida**

The rating for the state of Florida is based on a full-scope review of the performance in the Orlando-Kissimmee-Sanford MSA AA. We completed limited-scope reviews for the Deltona, Lakeland, North Port and Tampa MSAs.

Overall lending and CD performance were weighted more heavily for the Orlando-Kissimmee-Sanford MSA due to its significant presence in this AA in relation to overall bank operations. Refer to the table in appendix A for a list of all AAs under review.



<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Orlando MSA-2021</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	390	3.6	29.7	35.9	30.3	0.5
Population by Geography	2,277,816	2.5	28.2	36.9	32.4	0.0
Housing Units by Geography	964,253	2.7	28.0	38.6	30.7	0.0
Owner-Occupied Units by Geography	487,196	1.0	21.1	39.1	38.8	0.0
Occupied Rental Units by Geography	310,972	5.2	37.9	35.6	21.4	0.0
Vacant Units by Geography	166,085	2.9	29.7	43.1	24.3	0.0
Businesses by Geography	493,068	1.7	26.1	35.1	37.1	0.0
Farms by Geography	10,389	1.2	25.0	41.1	32.5	0.2
Family Distribution by Income Level	532,416	21.5	18.1	19.2	41.2	0.0
Household Distribution by Income Level	798,168	23.0	16.9	18.4	41.7	0.0
Median Family Income MSA – #36740 Orlando-Kissimmee-Sanford, FL MSA		\$57,304	Median Housing Value			\$162,453
			Median Gross Rent			\$1,056
			Families Below Poverty Level			12.4%
<i>Source: 2015 ACS Census and 2021 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Orlando MSA-2022-2023</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	490	4.1	28.8	35.1	30.8	1.2
Population by Geography	2,673,376	3.7	26.7	35.6	32.9	1.0
Housing Units by Geography	1,054,209	3.5	27.7	36.7	31.3	0.9
Owner-Occupied Units by Geography	553,334	1.5	22.8	37.7	37.8	0.2
Occupied Rental Units by Geography	339,923	6.2	35.3	33.7	23.1	1.8
Vacant Units by Geography	160,952	4.7	28.8	39.5	25.9	1.2
Businesses by Geography	670,550	2.4	26.4	33.3	36.9	1.1
Farms by Geography	13,030	2.2	25.7	39.6	31.9	0.5
Family Distribution by Income Level	604,893	21.3	18.0	19.2	41.4	0.0
Household Distribution by Income Level	893,257	22.5	17.3	18.7	41.5	0.0
Median Family Income MSA – #36740 Orlando-Kissimmee-Sanford, FL MSA		\$70,774	Median Housing Value			\$242,858
			Median Gross Rent			\$1,294
			Families Below Poverty Level			9.5%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA**

### **LENDING TEST**

The bank's performance under the Lending Test in Florida is rated Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's lending performance in the state of Florida is reasonable.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of loans in the state.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is reasonable in the state of Florida given the bank's size, capacity, and other performance context factors. The bank's lending performance for 2022-2023 was weighted more heavily in our overall conclusion for the geographic distribution of small loans to businesses, since these years represent the largest portion of the evaluation period.

For 2021 the geographic distribution of loans to small businesses in low-income geographies is significantly lower than the percentage of businesses and the aggregate. The bank did not make any small business loans in low-income geographies in the Orlando MSA. However, the performance is reasonable considering only 1.7 percent of small businesses were operating in low-income geographies. The distribution of the bank's small loans to businesses operating in moderate-income geographies exceeds the distribution of small businesses located in moderate-income geographies and exceeds the aggregate distribution in the AA.

For 2022 and 2023 the geographic distribution of loans to small businesses in low-income geographies is significantly lower than the percentage of businesses and the aggregate. The bank did not make any small business loans in low-income geographies in the Orlando MSA. The proportion of the bank's small loans to businesses operating in moderate-income geographies is lower than the distribution of small businesses located in moderate-income geographies and lower than the aggregate distribution in the AA.

Examiners performed an adjusted analysis of the bank's loan data on a combined basis to assess the impact on the bank's lending performance, without taking the census data change into consideration. This analysis was possible since there were no significant variances in demographic data based on the new census data. Based on this adjusted geographic distribution analysis, examiners concluded that for 2022 and 2023, the distribution of the bank's small loans to businesses operating in moderate-income geographies exceeds the distribution of small businesses located in moderate-income geographies and exceeds the aggregate distribution.

### ***Lending Gap Analysis***

Our review of the bank's AA and geographic distribution of small business lending activity did not reveal any unexplained conspicuous gaps.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to businesses of different sizes, given the product lines offered by the bank.

### ***Small Loans to Businesses***

Refer to Table R in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The distribution of loans to small business is reasonable in the state of Florida, given the bank's size, capacity, and other performance context factors previously discussed. The bank's lending performance for 2021 was weighted more heavily in our overall conclusion for small loans to businesses, as a majority of the bank's lending was done during that year.

For 2021, the bank's percentage of small loans to businesses with revenues of \$1 million or less was lower than the percentage of small businesses with gross annual revenues of \$1 million or less operating in the Orlando MSA and exceeds the aggregate distribution of small business lending in the AA.

For 2022-2023, the bank's percentage of small loans to businesses with revenues of \$1 million or less was lower than the percentage of small businesses with gross annual revenues of \$1 million or less operating in the Orlando MSA and lower than the aggregate distribution.

Examiners performed an adjusted analysis of the bank's loan data on a combined basis to assess the impact on the bank's lending performance, without taking the census data change into consideration. This analysis was possible since there were no significant variances in demographic data based on the new census data. Based on this adjusted borrower distribution analysis, examiners concluded that for 2022 and 2023, the bank's percentage of small loans to businesses with revenues of \$1 million or less was somewhat lower than the percentage of small businesses with gross annual revenues of \$1 million or less and near to the aggregate distribution.

### **Responses to Complaints**

There has been one CRA related complaint received by the bank and the OCC since the last CRA examination. The complaint was related to the closure of a branch located in a Walmart store. The branch was closed on January 21<sup>st</sup>, 2022. The bank responded to the customer by providing alternative banking locations and services such as ATMs, telephone banking and online banking, as an option to maintain the account relationship. In addition, the bank has a Walmart branch located in the same county as the closed branch. This branch is in a moderate-income geography.

### **Conclusions for Areas Receiving Limited Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Deltona MSA, Lakeland MSA, North Port MSA and Tampa MSA is weaker than the bank's overall performance under

the Lending Test in the Orlando MSA due to no or limited number of loans originated during the evaluation period. In the Deltona and Tampa AAs, there was not enough loans made to perform a meaningful lending performance analysis. The limited number of loans originated in the Tampa MSA was due to the short time the branches were opened during the evaluation period. There was no lending in the Lakeland MSA and North Port MSA. Given its deposit and loan volumes in relation to the bank overall, performance in limited scope AAs has a neutral impact on the bank's overall Lending Test.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the Community Development Test in the state of Florida is rated Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank exhibits adequate responsiveness, to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the Orlando MSA.

### **Number and Amount of Community Development Loans**

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

The level and responsiveness of CD loans in the full-scope AA is adequate given the bank's size, capacity to provide such loans and other performance context factors. CD lending in the Orlando MSA consists of 51 PPP loans totaling \$6.9 million made to businesses operating in the AA. PPP loans helped stabilize the local economy by allowing small businesses to retain employees and maintain operations during COVID-19. Some examples of the small businesses in the AA that received PPP loans include a travel company, a construction development company and an advertising and marketing firm. They received loans in the amount of \$125,00, \$523,000 and \$482,00 respectively and these funds helped to promote economic development and support the businesses by providing funding to cover overhead costs.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
<b>Full-Scope:</b>				
Orlando MSA	51	76.1	6,931	71.5
<b>Limited-Scope:</b>				
Deltona MSA	1	1.5	181	1.9
Lakeland MSA				
North Port MSA				
Tampa MSA	15	22.4	2,582	26.6
<b>Total:</b>	67	100.0	9,694	100.0

### Number and Amount of Qualified Investments

The Community Development Investments Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments. The table includes all CD investments, including prior period investments that remain outstanding as of the evaluation date.

The bank's level of investments in the full-scope AA represents very poor responsiveness to the community credit needs. The bank did not make any qualified investments in the Orlando MSA. During the evaluation period, the bank had the capacity and opportunities to make CD investments in the AA.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
<b>Full-Scope:</b>										
Orlando MSA	-	-	-	-	-	-	-	-	-	-
<b>Limited- Scope:</b>										
Deltona MSA	-	-	-	-	-	-	-	-	-	-
Lakeland MSA	-	-	-	-	-	-	-	-	-	-
North Port MSA	-	-	-	-	-	-	-	-	-	-
Tampa MSA	-	-	1	2,035	1	100.0	2,035	100.0	-	-
<b>Total:</b>	-	-	1	2,035	1	100.0	2,035	100.0	-	-

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Extent to Which the Bank Provides Community Development Services

CD services were effective and responsive in helping the bank address community needs in the full-scope Orlando MSA. During the evaluation period, the bank conducted a high level of CD services consistent with its capacity and expertise to conduct such activities. 20 bank employees and officers provided 131.5 hours of CD services to 13 community organizations that serve the AA. The community development organizations support affordable housing initiatives, community services to LMI individuals and families, and economic development and revitalization/stabilization for small businesses. Staff member activities include board service, financial technical assistance and education and serving in leadership roles. Financial literacy and education training has been identified as a crucial need in the AA.

Examples of CD services provided:

- Two staff members provided financial education training to small businesses operating in the AA in a bank branch located in a low-income geography.
- A staff member provided 12.0 hours of financial literacy training targeted to LMI seniors and veterans residing in the AA. The staff member held eight training sessions using FDIC's Money Smart for Older Adults training program to educate seniors on how to avoid fraud, scams, and financial exploitation and to manage their money.

- Two bank officers provided 24.0 hours of technical assistance by serving on the board of directors of an economic development nonprofit organization whose mission is to support LMI individuals seeking employment through job fairs, workshops, seminars, and other services.

## **Conclusions for Areas Receiving Limited Scope Reviews**

Based on limited-scope reviews and performance context, the bank's performance under the CD Test in the Tampa MSA is consistent with the bank's overall performance under the CD Test in the Orlando MSA, given the short time the branches were opened during the evaluation period.

Based on limited-scope reviews, the bank's performance under the CD Test in the Deltona MSA, Lakeland MSA and North Port MSA is weaker than the bank's overall Satisfactory performance under the CD Test in the Orlando MSA due to no or limited CD activities during the evaluation period. There was no CD activity in the North Port MSA. Given its deposit and loan volumes in relation to the bank overall, performance in limited scope AAs has a neutral impact on the bank's overall CD Performance Test rating.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2021 to 12/31/2023	
<b>Bank Products Reviewed:</b>	Small business loans. Community development loans, qualified investments, community development services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/a		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State: Florida</b>		
Orlando MSA	Full-Scope	Counties of Lake, Orange, Osceola, and Seminole
Deltona MSA	Limited-Scope	Counties of Flagler and Volusia
Lakeland MSA	Limited-Scope	County of Polk
North Port MSA	Limited-Scope	Counties of Manatee and Sarasota
Tampa MSA (partial MSA)	Limited-Scope	Counties of Hillsborough, Pasco, and Pinellas



## Appendix B: Summary of State Rating

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<b>RATINGS</b>			
<b>Axiom Bank, N.A.</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/ Rating</b>
Axiom Bank, N.A.	Satisfactory	Satisfactory	Satisfactory
<b>State:</b>			
Florida	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county, or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																<b>2021</b>		
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available- Income Tracts		
	#	\$(000's)	% of Total	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
<b>Full-Scope:</b>																		
Orlando MSA	66	8,054	80.5	1.7	-	1.8	26.1	48.5	24.9	35.1	12.1	35.5	37.1	39.4	37.8	-	-	-
<b>Limited-Scope:</b>																		
Deltona MSA	3	53	3.7	2.1	-	2.0	18.4	33.3	18.9	55.8	33.3	54.6	23.7	33.3	24.5	-	-	-
Lakeland MSA	-	-	-	3.8	-	4.2	19.7	-	19.5	54.2	-	55.5	22.3	-	20.7	-	-	-
North Port MSA	-	-	-	1.4	-	1.2	19.6	-	17.6	43.6	-	42.8	35.4	-	38.4	-	-	-
Tampa MSA	13	773	15.9	4.3	-	4.7	19.7	46.2	19.6	33.1	23.1	33.6	42.6	30.8	41.9	0.3	-	0.2
<b>Total</b>	82	8,880	100.0	2.9	-	3.0	21.9	47.6	21.3	38.0	14.6	38.1	37.1	37.8	37.5	0.1	-	0.1

*Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data "--" data not available. Due to rounding, totals may not equal 100.0*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																	<b>2022-2023</b>		
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available- Income Tracts			
	#	\$(000's)	% of Total	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
<b>Full-Scope:</b>																			
Orlando MSA	38	17,263	97.4	2.4	-	1.9	26.4	15.8	24.9	33.3	44.7	33.7	36.9	39.5	38.4	1.1	-	1.1	
<b>Limited-Scope:</b>																			
Deltona MSA	1	1,000	2.6	3.2	-	3.3	16.1	100.0	15.1	55.7	-	55.4	24.5	-	25.7	0.5	-	0.5	
Lakeland MSA	-	-	-	0.9	-	0.7	24.1	-	23.6	45.6	-	45.5	28.6	-	29.5	0.8	-	0.7	
North Port MSA	-	-	-	1.3	-	1.0	15.9	-	14.7	46.0	-	45.0	36.5	-	39.0	0.3	-	0.3	
<b>Total</b>	39	18,263	100.0	2.1	-	1.7	23.1	17.9	21.9	39.4	43.6	39.4	34.5	38.5	36.2	0.8	-	0.9	
<i>Source: 2023 D&amp;B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data"--" data not available. Due to rounding, totals may not equal 100.0</i>																			

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.



<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2021</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$(000'S)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
<b>Full-Scope:</b>												
Orlando MSA	66	8,054	80.5	103,416	93.4	62.1	45.3	1.8	18.2	4.8	19.7	
<b>Limited- Scope:</b>												
Deltona MSA	3	53	3.7	19,235	93.3	66.7	50.5	1.8	0.0	4.9	33.3	
Lakeland MSA	-	-	-	16,199	92.5	-	44.9	2.1	-	5.4	-	
North Port MSA	-	-	-	31,452	93.1	-	50.1	2.1	-	4.8	-	
Tampa MSA	13	773	15.9	107,176	92.9	84.6	46.5	2.2	7.7	4.9	7.7	
<b>Total</b>	<b>82</b>	<b>8,880</b>	<b>100.0</b>	<b>277,478</b>	<b>93.1</b>	<b>65.9</b>	<b>46.6</b>	<b>2.0</b>	<b>15.9</b>	<b>4.9</b>	<b>18.3</b>	
<i>Source: 2021 D&amp;B Data; 01/01/2021 - 12/31/2021 Bank Data; CRA Data Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2022-2023</b>	
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The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$ (000'S)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
<b>Full-Scope:</b>											
Orlando MSA	38	17,263	97.4	105,913	93.8	21.1	52.6	1.3	78.9	4.8	0.0
<b>Limited- Scope:</b>											
Deltona MSA	1	1,000	2.6	19,591	93.6	100.0	54.8	1.4	0.0	5.1	0.0
Lakeland MSA	-	-	-	17,791	93.2	-	54.2	1.5	-	5.3	-
North Port MSA	-	-	-	31,284	93.5	-	53.9	1.6	-	4.9	-
<b>Total</b>	<b>39</b>	<b>18,263</b>	<b>100.0</b>	<b>174,579</b>	<b>93.7</b>	<b>23.1</b>	<b>53.2</b>	<b>1.4</b>	<b>76.9</b>	<b>4.9</b>	<b>0.0</b>
<i>Source: 2023 D&amp;B Data; 01/01/2022 - 12/31/2023 Bank Data; 2023 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>											

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.